

# STATE OF ILLINOIS

## DEPARTMENT OF INSURANCE



IN THE MATTER OF THE  
REVOCATION OF LICENSING  
AUTHORITY OF:

DenRay Insurance Services  
10008 South Western  
Chicago, Illinois 60601

and

Dennis Raimo  
16561 Apache Drive  
Lockport, Illinois 60441

### ORDER OF REVOCATION

I, J. Anthony Clark, Director of Insurance of the State of Illinois, hereby revoke the license of DenRay Insurance Services (Business Entity) and Dennis Raimo (Licensee) to take effect 30 days from the date of mailing of this Order pursuant to Section 500-70 of the Illinois Insurance Code (215 ILCS 5/500-70).

Based upon an investigation and review of the Business Entity and Licensee by the Producer Section of the Illinois Department of Insurance, the Department alleges that:

- A. During the course of the investigation it was determined that the Business Entity and Licensee misrepresented to the consumer that she had a homeowner's insurance policy. The Business Entity and Licensee gave the consumer an invoice dated December 5, 2001, stating that the policy was paid in full.

The Business Entity and Licensee issued a certificate of insurance to the consumer on December 4, 2001. The certificate listed Founders Insurance Company, as the company affording the coverage, with a policy period of December 6, 2001 to December 6, 2002, and a policy number pending.

Founders Insurance Company advised the complainant that there was no policy in force for the above period. A policy was eventually issued, but not until March 12, 2002.

By the above actions, the Business Entity and Licensee intentionally misrepresented the terms of a proposed insurance contract which is a ground for revocation pursuant to Section 500-70(a)(5) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(5)) and have demonstrated incompetence, untrustworthiness and financial irresponsibility which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

- B. The Business Entity and Licensee collected premium monies from three consumers. These premiums were deposited into the Business Entity and Licensee's Premium Fund Trust Account (PFTA).

The Business Entity and Licensee's PFTA was reviewed to determine if those premiums collected and received were held in a fiduciary capacity prior to being forwarded on to the companies or credited to the Business Entity and Licensee's account statements.

The fiduciary review revealed that for the time period of November 27, 2001 through February 12, 2002, the balance in the Business Entity and Licensee's PFTA was deficient in respects to those premium monies under examination on nine days during that time period.

During the nine days in which the Business Entity and Licensee's PFTA was deficient, the deficiency difference ranged from \$1,475.81 to \$2,213.58. The average deficiency for the nine days was \$809.59.

The Business Entity and Licensee have misappropriated monies required to be held in a fiduciary capacity in violation of 50 Ill. Adm. Code 3113.40(j) and Section 500-115(a) of the Illinois Insurance Code (215 ILCS 5/500-115(a)).

Therefore, the Business Entity and the Licensee have violated a rule of the Director which is a ground for revocation pursuant to Section 500-70(a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2)) and have demonstrated incompetence, untrustworthiness and financial irresponsibility which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

- C. On April 25, 2003, the Business Entity and Licensee were given a check for \$1,358.00 from Kokoszka & Janczur, P.C. a Title Company on behalf of a consumer, at the closing of a home purchase for hazard insurance. The Business Entity and Licensee bound the hazard insurance through Buschbach Insurance Agency on April 30, 2003.

The Business Entity and Licensee deposited the check into the PFTA account #8022189930 at the Charter One Bank on May 8, 2003. Buschbach Insurance Agency never received premium monies for this bound policy.

By the above actions, the Business Entity and Licensee have improperly withheld premium monies in violation of Section 500-115(a) of the Illinois Insurance Code (215 ILCS 5/500-115(a)), which is a ground of revocation pursuant to Section 500-70(a)(4) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(4)) and have demonstrated incompetence, untrustworthiness and financial irresponsibility which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

- D. The Business Entity and Licensee issued 21 commission checks in the amount of \$49,758.64 during the period of November 30, 2001 through May 15, 2002.

The Business Entity and Licensee did not maintain sufficient records to support the commission disbursements in order to match and identify them with premiums previously deposited into the PFTA in violation of 50 Ill. Adm. Code 3113.40(h)(3) and 3113.50(e)(6) and (7).

Therefore, the Business Entity and Licensee have violated a rule of the Director which is a ground for revocation pursuant to Section 500-70(a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2)) and have demonstrated incompetence, untrustworthiness and financial irresponsibility which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

- E. A review of cancelled checks from the Premium Fund Trust Account # 5044219 at Founders Bank, for the period of November 2001, to May 2002, revealed that the Business Entity and Licensee issued 23 improper disbursements totaling \$53,917.64 of which 21 were undocumented commission disbursements, as mentioned in D.

The Business Entity and Licensee issued improper disbursements from the PFTA in violation of 50 Ill. Adm. Code 3113.40(h).

Therefore, the Business Entity and Licensee have violated a rule of the Director which is a ground for revocation pursuant to Section 500-70(a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2)) and have demonstrated incompetence, untrustworthiness and financial irresponsibility which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

- F. The Business Entity and the Licensee's fiduciary account was labeled "Premium Trust Account" on the bank statements and checks. On July 1, 2002, the Licensee changed the wording of the fiduciary account to reflect "Premium Fund Trust Account".

The Business Entity and the Licensee maintained a fiduciary account that was not designated Premium Fund Trust Account on the bank statements and checks in violation of 50 of Ill. Adm. Code 3113.40(b).

Therefore, the Business Entity and the Licensee have violated a rule of the Director which is a ground for revocation pursuant to Section 500-70(a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2)) and have demonstrated incompetence, untrustworthiness and financial irresponsibility which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

- G. On July 31, 2003, a certified letter was mailed to the Business Entity and the Licensee requesting contact with the Examiner by August 8, 2003, no response.

On August 12, 2003, a certified letter was mailed to the Business and the Licensee requesting contact with the Examiner by August 29, 2003, no response.

On August 29, 2003, a certified letter was mailed to the Business Entity and the Licensee requesting contact with the Examiner by September 9, 2003, no response.

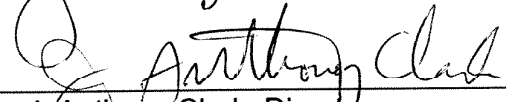
On September 16, 2003, a final certified letter was mailed to the Business Entity and the Licensee requesting contact with the Examiner by September 23, 2003, no response.

The Business Entity and Licensee failed to respond to the Department's correspondence. Therefore, the Business Entity and the Licensee have demonstrated incompetence and untrustworthiness, which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

This Order of Revocation shall take effect 30 days from the date of mailing but shall be stayed if within the 30-day period a written request for hearing is filed with the Director. Any correspondence concerning this Order of Revocation shall be addressed to the Department of Insurance, Producer Section, 320 West Washington Street, Springfield, Illinois 62767-0001.

50 Ill. Adm. Code 2402 governs hearings before the Department of Insurance. Section 408(5)(a) of the Illinois Insurance Code (215 ILCS 5/408) and 50 Ill. Adm. Code 2402.270(d) provide that the costs of a hearing may be assessed against the parties.

IN WITNESS WHEREOF, I have hereunto  
Subscribed my name and affixed the Official  
Seal of the Department of Insurance in the City  
Of Springfield, State of Illinois, this 28<sup>th</sup> day  
Of January, A.D., 2004.

  
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J. Anthony Clark, Director

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